

MARKQUART, INC.

Success Story

Markquart Inc., also known at various times as Markquart Motors; Lee Markquart Chevrolet, Toyota, Mazda; Lee Markquart Chevrolet and Markquart Chevrolet, was formed in 1970 when Lee Markquart moved to Eau Claire and purchased a Cadillac, Pontiac and Oldsmobile dealership. In 1975, Lee purchased the assets of Joy Toyota and folded this franchise into the dealership.

A \$1 million dollar expansion of the dealership was undertaken in 1978 with the addition of the "Markquart Motors Mall", a 25,000 square foot indoor showroom facility. With this expansion, Lee also sold 25 percent of the dealership to Ken Vance.

In 1980, Lee was asked if he was interested in purchasing a Chevrolet dealership which had been in Eau Claire for over 60 years. Wood Motors was the oldest dealership in the area, well established but known more for its reputation as a "sleeping giant." Part of the long range planning for Markquart Motors included such an expansion, however, the national recession in 1980 made such an expansion more complicated and difficult. Another challenge was merging two Chevrolet dealerships in Eau Claire and Chippewa Falls into one sales and service facility and to have General Motors approve the consolidation. Lee was not only successful in getting GM to agree to the consolidation but also to merge Toyota and Chevrolet into the same facility.

In 1982, ground was broken for a new dealership comprised of Chevrolet, Toyota-Mazda and Mercedes Benz. This 65,000 square foot facility was assisted by 7(a) and 503 financing which made possible a \$2.3 million project.

When Lee purchased Wood Motors and sold his majority interest in Markquart Motors to Ken Vance, the two also purchased Faherty GMC-Mazda and divided the two franchises. In 1985, Lee moved Toyota-Mazda into a separate facility, as the need for additional Chevrolet Truck space was becoming more of a necessity.

Another major opportunity occurred in 1992 when Lee purchased the Jim Carter Auto and Truck Center in Chippewa Falls. This Buick, Cadillac, Oldsmobile, Pontiac, GMC Truck facility was located 3.5 miles north of the Lee Markquart Auto and Truck Center. The name of the dealership was changed to Markquart Motors, Inc. and in 1995, using an SBA 504 loan; the dealership was completely remodeled and upgraded. Today, this dealership is owned and operated by son John, has 1999 sales of \$11 million, a net income of \$299,000 and employs 45 people.

Lee is directly responsible for the establishment and the successful and financial viability of four automobile dealerships in the Chippewa Valley. These are real success stories and while the automobile business is very "old-line", Lee has doubled sales at the Chevrolet dealership at least three times.

The automobile industry is very monolithic and any change is difficult to institute. In addition, the public perception of auto dealers and salespersons is not high. This makes innovation in this industry even more challenging. Lee accepted this challenge when he purchased Walker Motors in 1970 and made honesty and impeccable service a dealership standard. He further innovated when he became the first dealer in northwest Wisconsin to institute a single price and put his employees on a profit incentive program as opposed to direct commission.

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The “No Hassle-No Hagggle” concept takes a bit of strength to implement. First, results are not immediate—it takes 18 to 24 months before definitive targeted results are experienced. Secondly, you must have the personnel that will work to make this a success—the level of trust must run both ways. And third, the public must believe that this system works and is not a sales gimmick.

Only an individual of Lee’s reputation and financial ability could implement this revolutionary way of selling cars. His reputation is one of honesty, fairness and quality. Lee believes this process sells relationships as opposed to a commodity that clients and their families will come back again and again as purchasing a car becomes more enjoyable.

The entrepreneurial spirit demonstrated by Lee has produced wealth and income not only for members of his own family but scores of others. The financial stability of his enterprises is further demonstrated by the longevity of his employees, unusual in the automobile sales and service industry. Many of his employees have been with Lee for over 30 years.

Lee is one who believes that businesses have a responsibility, an obligation to share their success and he has been active in a number of community activities most notably the YMCA, United Way of Greater Eau Claire, University of Wisconsin-Eau Claire Foundation and the Wisconsin and National Automobile Dealers Association. He has also been a member of the Eau Claire Chamber of Commerce and served on its Board of Directors.

Today, Lee remains active in Markquart Chevrolet as chairman of the board and is creating strategies for the import dealership, Markquart on Clairemont. All told, the three Markquart dealerships, the new Markquart Lube N Wash started by sons David and John, employ over 200 people and contribute over \$89 million in sales revenues in the Chippewa Valley. Lee Markquart is responsible for this great story.

